

**MINUTES OF THE
GOVERNOR'S BOARD OF ECONOMIC DEVELOPMENT**

February 12, 2009 • 10:00 a.m. to 12:00 p.m.
324 South State Street, 5th Floor
Salt Lake City, Utah

Members Present: Amy Rees Anderson, Ragula Bhaskar, Bill Boyle by phone, Mary Draper, Stanley Ellington, Mel Lavitt, Nikos Linardakis, Richard Nelson, Jerry Oldroyd, Cliff White

Members Absent: Jack Brittain, Mike Dowse, Molonai Hola, Gerald Sherratt, Jim Sorenson

Visitors: Todd Brightwell, Reed Jacobs, Samantha Mary Julian, Peter Klinge, Ross Livingston, Steve Maas, Brice Wallace, Lynn Wylie

Staff: Clark Caras, Tamy Dayley, Mimi Davis-Taylor, Amy Hamblin, Greg Hartley, Fred Lange, Bill Loos, Derek Miller, Marshall Moore, Christina Oliver, Jason Perry, Michael Sullivan

Welcome – Approval of the January 2009 Minutes

MOTION: Jerry Oldroyd moved to approve the minutes of the January 8, 2009 GOED Board Meeting. Stanley Ellington seconded the motion. Motion carried unanimously.

Committee Report

Dynamic Confections

Project Highlights

- Retain corporate headquarters and consolidate manufacturing operations into one location
- Target Industry: Corporate Headquarters
- Proposed Location: Draper City, Salt Lake County
- Investment: \$3 Million plus an additional \$1 Million for new employee training.

Jobs and Revenue

- 110 New Full-time Positions created over 10.5 years
- Average Project Base Salary is 125% of County Average
- \$70+ Million New State Wages over 10.5 years
- New State Revenue \$4+ Million over same period

Local Incentives

- GOED Incentives Committee approved local incentive on 2/5/2009

MOTION: Jerry Oldroyd moved to approve for Dynamic Confections an \$823,856 EDTIF Refundable Tax Credit based on 20% of new state revenue over 10 years and part of 2009. Mel Lavitt seconded the motion. Motion carried unanimously.

- Total incentive not to exceed \$823,856 EDTIF tax credit.
- Annual incentive amount based on 20% of new incremental state tax revenues generated and receipted in the previous calendar year.
- Total incentive not to exceed 20% of new incremental state tax revenues over 10 years and part of 2009 with a contractual recapture provision for any excess funds paid to the company.
- Annual total project average salary of new employees to be at least 125% of County average wage.
- Must commit to keep operation in Utah for the length of the incentive period.
- Commitment by local government to provide local incentive.
- Incentives provided post-performance upon review and verification of receipted state taxes and performance requirements as outlined above.

There was brief discussion on why the company chose Utah. Lynn Wylie, Dynamic Confections, thanked the GOED Board for their support and expressed the company's excitement about the project.

EDZONES

Establish an Economic Development Zone for purposes of supporting the location of the Reckitt Benckiser Project in Tooele, Utah.

MOTION: Jerry Oldroyd moved to approve the creation of an Economic Development Zone for the County of Tooele in support of their letter of request detailing the boundaries of the Reckitt Benckiser Project located at 3204 North Sheep Lane, Tooele, Utah. Richard Nelson seconded the motion. Motion carried unanimously.

Establish an Economic Development Zone for purposes of supporting the location of The Sun Products Corporation Project in Salt Lake City, Utah.

MOTION: Jerry Oldroyd moved to approve the creation of an Economic Development Zone for Salt Lake City in support of their letter of request detailing the boundaries of The Sun Products Corporation Project located at 15 West South Temple, Suite 1400 and 3540 West 1987 South. Richard Nelson seconded the motion. Motion carried unanimously.

GOED Report

Jason Perry, Executive Director of GOED, explained that despite current economic conditions there are still companies that want come to Utah and also existing Utah companies that are expanding. Mr. Perry announced that the Economic Summit is scheduled for March 30th. Keynote speakers and breakout sessions are being organized right now. The Sundance Film Festival took place last month. Amy Rees Anderson and Mel Lavitt helped organize a couple of the international business events and commented on the great attendance, the venue and the new Utah DVD. Other board members that attended also commented on the connections that were made and how it was a success.

Mr. Perry spoke about this year's budget. About 7.5% of the base budget was cut and the 2010 budget is in the works right now. There was a brief discussion on stimulus funds. It was explained that a good portion of the funds will be going towards UDOT and renewable energy projects. Board members expressed that it did not make sense to cut the budget of the very agency that is bringing new revenue to the state.

Greg Hartley, GOED Project Manager, discussed some of the bills that are being tracked during the legislative session. SB 14 Financial Incentives for Motion Pictures, Alcohol Reform and renewable energy bills are at the top of the list. Richard Nelson spoke about the importance of SB 159 Math Education Initiative. Mr. Perry spoke about some of the health care reform bills.

MOTION: Mel Lavitt moved to approve a resolution in support of GOED and to direct staff to create letter on behalf of the board. The board is not in favor of cutting the budget of the very agency that is bringing in new revenue to the state. Mary Draper seconded the motion. Motion carried unanimously.

There was discussion on the Engineering Recruitment initiative and the shortage of engineers in the state. Funding for USTAR was discussed.

MOTION: Richard Nelson moved to approve a resolution in support of the Engineering Recruitment Initiative and to continue to invest and produce more engineers in the State of Utah. Cliff White seconded the motion. Motion carried unanimously.

Mr. Perry presented the brand new State of Utah DVD, created by Love Communications and narrated by Ed Herman.

Chairman Ragula Bhaskar presented Jason Perry with a plaque in honor of his outstanding work for the State of Utah.

Derek Miller, Managing Director of Recruitment and Incentives, gave an update on the Incentives Programs. Jobs, capital investment, revenue and wages were discussed.

Todd Brightwell, EDCUtah, reported on current projects, upcoming projects and recent wins. EDCUtah hosted a site selector's event this past weekend, it went very well. There was discussion on how to become more proactive.

Dr. Nikos Linardakis announced a new Motion Picture Advisory Committee member, Kathryn Toll. There was discussion on SB 14. Marshall Moore, Director of the Utah Film Commission discussed the current movies in production and the workforce. Mr. Moore spoke to the importance of having a television series in the state. The benefits of filming in Utah vs. other states were discussed.

No other business.

Meeting adjourned.